

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

04 -- 008

2. STATE:

MAINE

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE(S)

APRIL 18, 2004

5. TYPE OF PLAN MATERIAL (CHECK ONE):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 04 \$ (1,000,000)

b. FFY 05 \$ (3,300,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
ATTACHMENT 4.19B, PAGE 3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
ATTACHMENT 4.19B, PAGE 3

SUBJECT OF AMENDMENT: AMEND PHARMACY REIMBURSEMENT METHODOLOGY FOR OUTPATIENT DRUGS TO ALLOW
DIFFERENTIAL REIMBURSEMENT FOR MAIL ORDER.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED

COMMISSIONER, DEPT. OF HUMAN SERVICES

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

JOHN R. NICHOLAS

14. TITLE:

Acting Commissioner, Maine Department of Human
Services

16. RETURN TO:

CHRISTINE ZUKAS-LESSARD

Acting Director, Bureau of Medical Services
#11 State House Station

442 CIVIC CENTER DRIVE
Augusta, ME 04333-0011

15. DATE SUBMITTED: JUNE 15, 2004

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

19. EFFECTIVE DATE OF APPROVED MATERIAL:

21. TYPED NAME:

23. REMARKS:

Maine (04-008)
Approved: 09/13/04
Effective: 04/18/04

State: Maine

PAYMENT RATES FOR CARE AND SERVICES OTHER THAN INPATIENT HOSPITAL

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

a. Prescribed drugs

The State of Maine pays for covered outpatient drugs as defined in Section 1927(k)(2) of the Act which are those that are prescribed for a medically accepted indication and produced by any manufacturer which has entered into and complies with an agreement under Section 1927(a) of the Act. Additionally, the State's prior authorization requirements comply with Section 1927(d)(5) of the Act.

Payment is made to pharmacies for drugs that are not on the Direct Supply drug list at the lowest of the following (1) Estimated Acquisition Cost (EAC) plus professional fee, (2) Maine Maximum Allowable Cost (MMAC) plus professional fee, (3) Federal Upper Limits (FUL) plus professional fee, or (4) the provider's usual and customary charge or any amount the provider will accept from any other third party program as from the public in the form of discounts, special rebates, incentives, coupons, club plans or contracts with the exception of senior citizen discounts. Reimbursement for compound drugs is based upon a professional compounding fee and the cost of ingredients.

Note: Estimated Acquisition Cost (EAC) is defined as the average wholesale price (AWP) minus 15 per cent.

Payment is made to pharmacies for drugs that are on the Direct Supply drug list at the lowest of the following:

- a. The usual and customary charge; or
- b. The Average Wholesale Price (AWP) -17% plus \$3.35 professional fee except as otherwise noted below; or
- c. The Federal Upper Limit (FUL) or the Maine maximum allowable cost (MMAC) plus \$3.35 professional fee except as otherwise noted below.

The Department may pay a lower rate for drugs on the Direct Supply Drug List to any pharmacy that agrees by contract with the Department to accept such lower reimbursement rate for such drugs.

Dispensing Fees are as follows:

- i. \$3.35 for an amount dispensed from a stock supply, or for solutions or lotions involving no weighing.
- ii. \$5.35 for compounding handmade suppositories, powder papers, capsules and tablet triturates and for mixing home TPN hyper-alimentation.
- iii. \$4.35 for compounding ointments and for solutions or lotions involving weighing one or more ingredients and mixing home intravenous (IV) solutions.
- iv. \$12.50 for filling insulin syringes per 14-day supply.

Payment is made to mail order pharmacies for drugs at the lowest of the following:

- a. The usual and customary charge;
- b. The Average Wholesale Price (AWP) - 20% plus \$1 professional fee except as otherwise noted below; or
- c. The Federal Upper Limit (FUL) or Maine Maximum Allowable Cost (MMAC) plus \$1 professional fee.

For pharmacies not utilizing the point of purchase program, paper claims may be submitted. However all the State's edits including those of OBRA 90 such as Prospective Drug Utilization Review, must still be provided at the time of service. For pharmacies utilizing the State's Point-Of-Purchase program, the dispensing fee covers services provided by the State to the pharmacy at the time of dispensing the prescription and includes such services as: